

**REVENUE ESTIMATING CONFERENCE**  
**FISCAL YEAR 08 FORECAST**  
(In Million \$)

ADOPTED

REVENUE SOURCE / Dedications	Official Forecast 12/10/2007	Proposed OPB Forecast 2/10/08	Proposed LFO Forecast 2/10/08	OPB +(-) Official Forecast	LFO +(-) Official Forecast
Alcoholic Beverage	19.0	19.1	19.0	0.1	-
Beer	35.0	37.2	36.5	2.2	1.5
Corporate Franchise	216.9	312.4	247.4	95.5	30.5
Corporate Income	587.8	618.8	663.1	31.0	75.3
<i>Total Corp Fran. &amp; Inc.</i>	804.7	931.2	910.5	126.5	105.8
Gasoline & Special Fuels	621.0	594.1	610.0	(26.9)	(11.0)
Gift	3.0	2.2	3.0	(0.8)	-
Hazardous Waste	5.0	4.6	4.5	(0.4)	(0.5)
Individual Income	2,973.0	2,984.1	2,981.0	11.1	8.0
Inheritance	3.0	3.8	3.0	0.8	-
Natural Gas Franchise	5.0	7.1	5.0	2.1	-
Public Utilities	4.5	5.7	5.0	1.2	0.5
Auto Rental Excise	5.5	5.5	5.5	-	-
Sales Tax - General	2,911.7	2,857.2	2,835.3	(54.5)	(76.4)
Severance	942.0	959.2	945.0	17.2	3.0
Special Fuels	-	-	-	-	-
Supervision/Inspection Fee	6.0	6.5	6.0	0.5	-
Tobacco	147.0	147.4	143.7	0.4	(3.3)
Unclaimed Property	26.0	26.5	28.0	0.5	2.0
Miscellaneous Receipts	6.5	6.0	6.5	(0.5)	-
<b>Total-Dept. of Revenue</b>	<b>8,517.9</b>	<b>8,597.4</b>	<b>8,547.5</b>	79.5	29.6
Royalties	553.0	594.0	582.0	41.0	29.0
Rentals	23.0	22.6	22.0	(0.4)	(1.0)
Bonuses	32.0	35.0	24.0	3.0	(8.0)
Mineral Interest	1.3	2.0	2.0	0.7	0.7
<b>Total-Natural Res.</b>	<b>609.3</b>	<b>653.6</b>	<b>630.0</b>	44.3	20.7
Interest Earnings (SGF)	150.0	168.9	160.0	18.9	10.0
Interest Earnings (TTF)	15.0	17.9	15.0	2.9	-
Var. Agy. Receipts	32.3	35.0	32.3	2.7	-
Agency SGR Over-Collections	18.3	17.0	18.3	(1.3)	0.0
Bond Reimbursements	4.3	4.3	4.3	-	0.0
Quality Ed. Support Fund	60.0	68.1	67.0	8.1	7.0
Lottery Proceeds	128.9	130.0	130.2	1.1	1.3
Land-based Casino	87.0	88.5	90.0	1.5	3.0
Tobacco Settlement	71.8	71.8	71.8	-	-
DHH Provider Fees	108.4	108.4	108.4	-	-
<b>Total Treasury</b>	<b>676.0</b>	<b>709.9</b>	<b>697.3</b>	33.9	21.3
Excise License	306.0	328.7	335.0	22.7	29.0
Ins. Rating Fees (SGF)	52.8	52.7	52.8	(0.1)	(0.0)
<b>Total-Insurance</b>	<b>358.8</b>	<b>381.4</b>	<b>387.8</b>	22.6	29.0
Misc. DPS Permits & ABC Permits	10.5	12.0	10.8	1.5	0.3
Titles	22.2	24.2	22.9	2.0	0.7
Vehicle Licenses	89.0	96.0	95.0	7.0	6.0
Vehicle Sales Tax	317.0	323.6	327.0	6.6	10.0
Riverboat Gaming	356.0	389.0	383.0	33.0	27.0
Racetrack slots	54.0	57.2	57.0	3.2	3.0
Video Draw Poker	201.0	211.7	205.0	10.7	4.0
<b>Total-Public Safety</b>	<b>1,049.7</b>	<b>1,113.6</b>	<b>1,100.7</b>	63.9	51.0
<b>Total Taxes, Lic., Fees</b>	<b>11,211.7</b>	<b>11,455.9</b>	<b>11,363.3</b>	244.2	151.6
<i>Less: Dedications</i>	(1,763.6)	(1,778.7)	(1,778.7)	(15.1)	(15.1)
<i>Less: NOW Waiver Fund Allocation</i>	(50.0)	(50.0)	(50.0)	-	-
<b>STATE GENERAL FUND REVENUE - DIRECT</b>	<b>9,398.1</b>	<b>9,627.2</b>	<b>9,534.5</b>	229.1	136.4
Oil Price (\$/barrel)	80.00	83.91	82.51	3.91	2.51

ADOPTED

<b>Fiscal Year 06/07 Nonrecurring Revenue</b>	<b>ADOPTED</b>	<b>1,088.0</b>
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Some columns and lines do not add precisely due to rounding.

**REVENUE ESTIMATING CONFERENCE**  
**FISCAL YEAR 08 FORECAST**  
(In Million \$)

ADOPTED

REVENUE SOURCE / Dedications	Official Forecast 12/10/2007	Proposed OPB Forecast 2/10/08	Proposed LFO Forecast 2/10/08	OPB +(-) Official Forecast	LFO +(-) Official Forecast
<b>ADOPTED</b>					
Motor Fuels-Transp. Trust Fd.	496.8	475.3	488.0	-21.5	(8.8)
Motor Vehicles Lic. - TTF	37.4	42.4	39.9	5.0	2.5
Aviation Tax - TTF	9.7	9.7	9.7	0.0	-
TTF/Interest and Fees	39.5	39.7	39.5	0.2	-
Motor Fuels - TIME Program	124.2	118.8	122.0	-5.4	(2.2)
Motor Veh.Lic - Hwy Fund #2	10.4	11.3	11.1	0.9	0.7
State Highway Improvement Fund	10.2	10.2	10.9	0.0	0.7
Severance Tax -Parishes	40.7	43.0	40.8	2.3	0.1
Severance Tax - Forest Prod. Fund	3.4	3.4	3.4	0.0	-
Royalties - Parishes	55.3	59.4	58.2	4.1	2.9
Royalties-DNR/AG Support Fund	2.6	2.6	2.6	0.0	-
Wetlands Fund	34.0	35.1	34.4	1.1	0.4
Mineral Audit Settlement Fund	0.0	0.0	0.0	0.0	-
Quality Ed. Support Fund	60.0	68.1	67.0	8.1	7.0
LA Econ Dev Port Dev Infra Fund	0.0	0.0	0.0	0.0	-
Sales Tax Econ. Development	14.1	14.3	13.8	0.2	(0.3)
Tourist Promotion District	24.2	23.9	23.7	-0.3	(0.5)
Excise Lic. - 2% Fire Ins.	17.2	20.0	17.2	2.8	0.0
Excise Lic. -Fire Mars. Fd.	13.4	16.4	13.4	3.0	(0.0)
Excise Lic. - LSU Fire Tr.	2.7	3.0	2.7	0.3	(0.0)
Insurance Fees	52.8	52.7	52.8	-0.1	(0.0)
State Police Salary Fund	15.6	15.6	15.6	0.0	-
Video Draw Poker	63.0	61.4	64.1	-1.6	1.1
Racetrack Slots	22.1	23.9	25.3	1.8	3.2
Lottery Proceeds Fund	128.4	129.5	129.7	1.1	1.3
SELF Fund	162.5	171.3	171.2	8.8	8.7
Riverboat 'Gaming' Enforce.	58.3	61.9	58.3	3.6	(0.0)
Compulsive Gaming Fund	2.5	2.5	2.5	0.0	-
Stabilization Fund	0.0	0.0	0.0	0.0	-
Hazardous Waste Funds	5.0	4.6	4.5	-0.4	(0.5)
Supervision/Inspection Fee	6.0	6.5	6.0	0.5	-
Insp. Fee/Gasoline, Ag. Petr. Fund	5.3	5.0	5.2	-0.3	(0.1)
Tobacco Settlement	71.8	71.8	71.8	0.0	-
Tob Tax Health Care Fd / Reg Enf Fd	43.3	44.2	42.3	0.9	(1.0)
Rapid Response Fund	7.8	7.8	7.8	0.0	0.0
Unclaimed Property / I-49	15.0	15.0	15.0	0.0	-
DHH Provider Fees	108.4	108.4	108.4	0.0	-
<b>Total Dedications</b>	<b>1,763.6</b>	<b>1,778.7</b>	<b>1,778.7</b>	<b>15.1</b>	<b>15.1</b>

ADOPTED

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**REVENUE ESTIMATING CONFERENCE**  
**FISCAL YEAR 09 FORECAST**  
(In Million \$)

ADOPTED

REVENUE SOURCE / Dedications	Official Forecast 12/10/2007	Proposed OPB Forecast 2/10/08	Proposed LFO Forecast 2/10/08	OPB +(-) Official Forecast	LFO +(-) Official Forecast
Alcoholic Beverage	19.0	19.2	19.0	0.2	-
Beer	35.0	36.5	36.5	1.5	1.5
Corporate Franchise	240.7	281.2	247.8	40.5	7.1
Corporate Income	636.2	524.6	681.9	(111.6)	45.7
<i>Total Corp Fran. &amp; Inc.</i>	877.0	805.8	929.7	(71.2)	52.8
Gasoline & Special Fuels	638.0	579.2	632.0	(58.8)	(6.0)
Gift	-	1.9	-	1.9	-
Hazardous Waste	5.0	5.0	4.5	-	(0.5)
Individual Income	2,810.1	2,917.0	2,776.1	106.9	(34.0)
Inheritance	1.4	3.5	1.4	2.1	-
Natural Gas Franchise	5.0	5.0	5.0	-	-
Public Utilities	4.5	4.0	5.0	(0.5)	0.5
Auto Rental Excise	5.5	5.2	5.5	(0.3)	-
Sales Tax - General	2,985.6	2,866.0	2,960.2	(119.6)	(25.4)
Severance	853.0	924.8	843.0	71.8	(10.0)
Special Fuels	-	-	-	-	-
Supervision/Inspection Fee	6.0	6.0	6.0	-	-
Tobacco	144.0	144.6	141.1	0.6	(2.9)
Unclaimed Property	26.0	26.5	28.0	0.5	2.0
Miscellaneous Receipts	6.5	6.0	6.5	(0.5)	-
<b>Total-Dept. of Revenue</b>	<b>8,421.5</b>	<b>8,356.2</b>	<b>8,399.5</b>	<b>(65.3)</b>	<b>(22.0)</b>
Royalties	535.0	530.5	552.0	(4.5)	17.0
Rentals	21.4	22.6	22.1	1.2	0.7
Bonuses	32.0	31.5	24.0	(0.5)	(8.0)
Mineral Interest	1.0	1.0	1.0	-	-
<b>Total-Natural Res.</b>	<b>589.4</b>	<b>585.6</b>	<b>599.1</b>	<b>(3.8)</b>	<b>9.7</b>
Interest Earnings (SGF)	125.0	155.0	135.0	30.0	10.0
Interest Earnings (TTF)	9.0	16.0	9.0	7.0	-
Var. Agy. Receipts	32.3	35.0	32.3	2.7	-
Agency SGR Over-Collections	18.3	17.0	18.3	(1.3)	-
Bond Reimbursements	4.3	4.3	4.3	(0.0)	-
Quality Ed. Support Fund	60.0	66.1	65.0	6.1	5.0
Lottery Proceeds	116.5	123.2	123.0	6.7	6.5
Land-based Casino	87.0	87.6	90.0	0.6	3.0
Tobacco Settlement	76.1	73.6	76.1	(2.5)	-
DHH Provider Fees	106.3	106.3	106.3	-	-
<b>Total Treasury</b>	<b>634.9</b>	<b>684.1</b>	<b>659.4</b>	<b>49.2</b>	<b>24.5</b>
Excise License	311.0	345.1	350.7	34.1	39.7
Ins. Rating Fees (SGF)	54.9	54.3	54.9	(0.6)	(0.1)
<b>Total-Insurance</b>	<b>365.9</b>	<b>399.4</b>	<b>405.6</b>	<b>33.5</b>	<b>39.7</b>
Misc. DPS Permits & ABC Permits	10.2	12.0	10.4	1.8	0.2
Titles	21.6	23.5	22.0	1.9	0.4
Vehicle Licenses	91.0	95.0	94.0	4.0	3.0
Vehicle Sales Tax	309.0	317.1	314.0	8.1	5.0
Riverboat Gaming	356.0	390.1	379.0	34.1	23.0
Racetrack slots	54.0	58.5	57.0	4.5	3.0
Video Draw Poker	201.0	209.7	205.0	8.7	4.0
<b>Total-Public Safety</b>	<b>1,042.8</b>	<b>1,105.9</b>	<b>1,081.3</b>	<b>63.1</b>	<b>38.5</b>
<b>Total Taxes, Lic., Fees</b>	<b>11,054.5</b>	<b>11,131.2</b>	<b>11,144.9</b>	<b>76.7</b>	<b>90.3</b>
<i>Less: Dedications</i>	<i>(1,784.8)</i>	<i>(1,759.8)</i>	<i>(1,804.1)</i>	<i>25.0</i>	<i>(19.4)</i>
<i>Less: NOW Waiver Fund Allocation</i>					
<b>STATE GENERAL FUND REVENUE - DIRECT</b>	<b>9,269.8</b>	<b>9,371.4</b>	<b>9,340.7</b>	<b>101.6</b>	<b>70.9</b>
Oil Price (\$/barrel)	70.45	76.84	73.45	6.39	3.00

ADOPTED

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**REVENUE ESTIMATING CONFERENCE**  
**FISCAL YEAR 09 FORECAST**  
(In Million \$)

ADOPTED

REVENUE SOURCE / Dedications	Official Forecast 12/10/2007	Proposed OPB Forecast 2/10/08	Proposed LFO Forecast 2/10/08	OPB +(-) Official Forecast	LFO +(-) Official Forecast
			<b>ADOPTED</b>		
Motor Fuels-Transp. Trust Fd.	510.4	463.4	505.6	-47.0	(4.8)
Motor Vehicles Lic. - TTF	38.2	41.9	39.5	3.7	1.3
Aviation Tax - TTF	9.7	9.7	9.7	0.0	-
TTF/Interest and Fees	33.5	37.8	33.5	4.3	-
Motor Fuels - TIME Program	127.6	115.9	126.4	-11.7	(1.2)
Motor Veh.Lic - Hwy Fund #2	10.6	11.2	11.0	0.6	0.4
State Highway Improvement Fund	20.8	20.2	21.5	-0.6	0.7
Severance Tax -Parishes	41.8	42.5	41.3	0.7	(0.4)
Severance Tax - Forest Prod. Fund	3.4	3.4	3.4	0.0	-
Royalties - Parishes	53.5	53.1	55.2	-0.4	1.7
Royalties-DNR/AG Support Fund	2.6	2.6	2.6	0.0	-
Wetlands Fund	31.8	33.2	31.8	1.4	(0.0)
Mineral Audit Settlement Fund	0.0	0.0	0.0	0.0	-
Quality Ed. Support Fund	60.0	66.1	65.0	6.1	5.0
LA Econ Dev Port Dev Infra Fund	0.0	0.0	0.0	0.0	-
Sales Tax Econ. Development	14.4	14.3	14.3	-0.1	(0.1)
Tourist Promotion District	24.7	23.9	24.6	-0.8	(0.2)
Excise Lic. - 2% Fire Ins.	18.8	21.1	18.8	2.3	-
Excise Lic. -Fire Mars. Fd.	14.6	17.3	14.6	2.7	-
Excise Lic. - LSU Fire Tr.	2.9	3.1	2.9	0.2	-
Insurance Fees	54.9	54.3	54.9	-0.6	(0.1)
State Police Salary Fund	15.6	15.6	15.6	0.0	-
Video Draw Poker	61.8	61.9	62.9	0.1	1.1
Racetrack Slots	23.0	25.2	26.1	2.2	3.2
Lottery Proceeds Fund	116.0	122.7	122.5	6.7	6.5
SELF Fund	162.5	170.7	170.4	8.2	7.9
Riverboat 'Gaming' Enforce.	62.8	62.0	62.8	-0.8	-
Compulsive Gaming Fund	2.5	2.5	2.5	0.0	-
Stabilization Fund	0.0	0.0	0.0	0.0	-
Hazardous Waste Funds	5.0	5.0	4.5	0.0	(0.5)
Supervision/Inspection Fee	6.0	6.0	6.0	0.0	-
Insp. Fee/Gasoline, Ag. Petr. Fund	5.5	4.9	5.4	-0.6	(0.1)
Tobacco Settlement	76.1	73.6	76.1	-2.5	-
Tob Tax Health Care Fd / Reg Enf Fd	42.4	43.4	41.5	1.0	(0.9)
Rapid Response Fund	10.0	10.0	10.0	0.0	-
Unclaimed Property / I-49	15.0	15.0	15.0	0.0	-
DHH Provider Fees	106.3	106.3	106.3	0.0	-
<b>Total Dedications</b>	<b>1,784.8</b>	<b>1,759.8</b>	<b>1,804.1</b>	<b>(25.0)</b>	<b>19.4</b>
			<b>ADOPTED</b>		

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# REVENUE ESTIMATING CONFERENCE

## FISCAL YEAR 10-12 FORECAST

(In Million \$)

	ADOPTED	ADOPTED	ADOPTED
<b>REVENUE SOURCE / Dedications</b>	<b>LFO FY10 2/10/08</b>	<b>LFO FY11 2/10/08</b>	<b>LFO FY12 2/10/08</b>
Alcoholic Beverage	19.0	19.0	19.0
Beer	36.5	36.5	36.5
Corporate Franchise	190.7	155.2	130.5
Corporate Income	564.9	547.3	576.2
<i>Total Corp Fran. &amp; Inc.</i>	755.6	702.5	706.7
Gasoline & Special Fuels	651.0	669.0	683.0
Gift	0.0	0.0	0.0
Hazardous Waste	4.5	4.5	4.5
Individual Income	2,847.5	2,967.5	3,093.5
Inheritance	1.4	1.4	1.4
Natural Gas Franchise	5.0	5.0	5.0
Public Utilities	5.0	5.0	5.0
Auto Rental Excise	5.5	5.5	5.5
Sales Tax - General	2,866.2	2,957.5	3,049.5
Severance	760.0	742.0	731.0
Special Fuels			
Supervision/Inspection Fee	6.0	6.0	6.0
Tobacco	140.7	140.3	139.9
Unclaimed Property	28.0	28.0	28.0
Miscellaneous Receipts	6.5	6.5	6.5
<b>Total-Dept. of Revenue</b>	<b>8,138.4</b>	<b>8,296.1</b>	<b>8,520.9</b>
Royalties	446.0	415.0	420.0
Rentals	17.8	16.6	16.8
Bonuses	24.0	24.0	24.0
Mineral Interest	1.0	1.0	1.0
<b>Total-Natural Res.</b>	<b>488.8</b>	<b>456.6</b>	<b>461.8</b>
Interest Earnings (SGF)	125.0	95.0	65.0
Interest Earnings (TTF)	8.0	7.0	6.0
Var. Agy. Receipts	32.3	32.3	32.3
Agency SGR Over-Collections	18.3	18.3	18.3
Bond Reimbursements	4.3	4.3	4.3
Quality Ed. Support Fund	65.0	65.0	65.0
Lottery Proceeds	123.0	123.0	123.0
Land-based Casino	90.0	90.0	90.0
Tobacco Settlement	80.3	84.7	89.3
DHH Provider Fees	106.3	106.3	106.3
<b>Total Treasury</b>	<b>652.6</b>	<b>626.0</b>	<b>599.6</b>
Excise License	363.0	377.2	390.8
Ins. Rating Fees (SGF)	57.1	59.3	61.7
<b>Total-Insurance</b>	<b>420.1</b>	<b>436.5</b>	<b>452.5</b>
Misc. DPS Permits & ABC Permits	11.6	12.5	12.7
Titles	24.2	26.2	26.8
Vehicle Licenses	97.0	98.0	100.0
Vehicle Sales Tax	322.0	328.0	335.0
Riverboat Gaming	375.0	371.0	367.0
Racetrack slots	57.0	57.0	57.0
Video Draw Poker	205.0	205.0	205.0
<b>Total-Public Safety</b>	<b>1,091.7</b>	<b>1,097.7</b>	<b>1,103.5</b>
<b>Total Taxes, Lic., Fees</b>	<b>10,791.6</b>	<b>10,912.9</b>	<b>11,138.3</b>
<i>Less: Dedications</i>	<i>(1,829.5)</i>	<i>(1,868.3)</i>	<i>(1,898.2)</i>
<i>Less: NOW Waiver Fund Allocation</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<b>STATE GENERAL</b>			
<b>FUND REVENUE - DIRECT</b>	<b>8,962.0</b>	<b>9,044.6</b>	<b>9,240.0</b>
Oil Price (\$/barrel)	63.10	58.15	58.08
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>

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# REVENUE ESTIMATING CONFERENCE

## FISCAL YEAR 10-12 FORECAST

(In Million \$)

	ADOPTED	ADOPTED	ADOPTED
<b>REVENUE SOURCE / Dedications</b>	<b>LFO FY10 2/10/08</b>	<b>LFO FY11 2/10/08</b>	<b>LFO FY12 2/10/08</b>
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>
Motor Fuels-Transp. Trust Fd.	520.8	535.2	546.4
Motor Vehicles Lic. - TTF	40.7	41.2	42.0
Aviation Tax - TTF	9.7	9.7	9.7
TTF/Interest and Fees	32.5	31.5	30.5
Motor Fuels - TIME Program	130.2	133.8	136.6
Motor Veh.Lic - Hwy Fund #2	11.3	11.4	11.7
State Highway Improvement Fund	33.3	44.8	45.7
Severance Tax -Parishes	41.8	45.0	48.5
Severance Tax - Forest Prod. Fund	3.4	3.4	3.4
Royalties - Parishes	44.6	41.5	42.0
Royalties-DNR/AG Support Fund	2.6	2.6	2.6
Wetlands Fund	28.1	27.1	26.9
Mineral Audit Settlement Fund	0.0	0.0	0.0
Quality Ed. Support Fund	65.0	65.0	65.0
LA Econ Dev Port Dev Infra Fund	0.0	0.0	0.0
Sales Tax Econ. Development	13.9	14.3	14.8
Tourist Promotion District	23.9	24.6	25.4
Excise Lic. - 2% Fire Ins.	20.5	22.3	24.3
Excise Lic. -Fire Mars. Fd.	15.9	17.3	18.9
Excise Lic. - LSU Fire Tr.	3.2	3.5	3.8
Insurance Fees	57.1	59.3	61.7
State Police Salary Fund	15.6	15.6	15.6
Video Draw Poker	62.9	62.9	62.9
Racetrack Slots	26.1	26.1	26.1
Lottery Proceeds Fund	122.5	122.5	122.5
SELF Fund	169.5	168.7	167.8
Riverboat 'Gaming' Enforce.	62.8	62.8	62.8
Compulsive Gaming Fund	2.5	2.5	2.5
Stabilization Fund	0.0	0.0	0.0
Hazardous Waste Funds	4.5	4.5	4.5
Supervision/Inspection Fee	6.0	6.0	6.0
Insp. Fee/Gasoline, Ag. Petr. Fund	5.6	5.8	5.9
Tobacco Settlement	80.3	84.7	89.3
Tob Tax Health Care Fd / Reg Enf Fd	41.4	41.3	41.2
Rapid Response Fund	10.0	10.0	10.0
Unclaimed Property / I-49	15.0	15.0	15.0
DHH Provider Fees	106.3	106.3	106.3
<b>Total Dedications</b>	<b>1,829.5</b>	<b>1,868.3</b>	<b>1,898.2</b>
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>

Some columns and lines do not add precisely due to rounding.

**REVENUE ESTIMATING CONFERENCE**  
**February 10, 2008**

**State General Fund Revenue Forecast**  
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Revenue	\$9,681	\$9,535	\$9,341	\$8,962	\$9,045	\$9,240
Yr/Yr \$ Chg.	\$1,378	-\$81	-\$194	-\$379	\$83	\$195
Yr/Yr % Chg.	16.6%	-1.5%	-2.0%	-4.1%	0.9%	2.2%
Forecast Change		\$136	\$71	-\$27	-\$20	-\$18

Strong collections growth in FY07 continued the 12.3% surge experienced in the storm year of FY06. In that year most of the revenue surge was sales tax, as the economy began its recovery from hurricanes Katrina and Rita, growing by 19% and making up 60% of the year's revenue gains. In FY07 most of the revenue surge was income tax, as deferred payments came in, unemployment dropped below the national average, and wage premiums pushed up taxable incomes, growing by 30% and making up 45% of the year's revenue gains. In both years the corporate sector contributed as oil prices continued rising and the dollar exchange rate continued falling. Mineral revenues continued their surge in FY07, as production came back on line and oil prices continued to rise.

Growth appears to be slowing across the board in FY08 (sales tax, income tax, corporate taxes, mineral revenue), but upward revisions to the forecast baseline are still possible for FY08 and FY09. Some small amount of the increases made by the last forecast to the out-years FY10-FY12 are pulled back with this revision. The year-over-year forecast path continues to be one of lower revenue each year through FY10. Past forecasts have failed to find the state's post-storm revenue peak, and upside potential may still exist in certain revenues (corporate taxes, personal income tax, higher oil price moves). However, downside risks also exist in slowing recovery activity after the immediate replacement surges, and the increasing possibility of a national recession that pulls down oil prices and tax receipts in general.

**Sales Tax Forecast**  
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
General	\$2,838	\$2,835	\$2,960	\$2,866	\$2,958	\$3,050
Vehicle	\$360	\$327	\$314	\$322	\$328	\$335
Forecast Change		-\$66	-\$20	-\$28	-\$11	-\$23
MM&E	-\$6	-\$9	-\$11	-\$14	-\$18	-\$18
Business Utilities				-\$156	-\$156	-\$156
Other Suspensions				-\$32	-\$32	-\$32

The big surge year for both general and vehicle sales tax was FY06, the fiscal year of the storms, with growth of 17.2% and 29.2%, respectively, as many possessions were replaced immediately after the storms. While substantial recovery spending continues to occur along with strong oil & gas activity, growth in the general sales tax slowed in FY07 to 4.2% and has slowed even more in FY08 to 2.5% on a cash basis through January and has actually declined 0.6% on an accrual basis. While underlying cash basis growth is projected at 1.8% for FY08, it seems likely that a net accrual loss of as much as \$50 million may occur at the end of this year (the offset to last year's large net accrual gain). Out-year baseline receipts are projected to grow around 3% per year, and the phase-out of tax on manufacturing machinery & equipment is built in through FY11 (albeit at a significantly reduced level). The forecast also accounts for the scheduled drop of the tax rate on business utilities to 1% (from 3.3%) in FY10 and the scheduled drop of the tax rate on all other suspended exemptions to 1% (from 4%) at the same time. Net revisions to the general sales tax forecast are -\$76 million for FY08, -\$25 million for FY09, -\$33 million FY10, -\$17 million for FY11, and -\$30 million for FY12.

Vehicle replacement peaked by the middle of FY07 and that year finished with a 4.8% drop which has continued into FY08 (3.5% through January). While a decline is projected to continue through FY09 before positive growth returns in FY10, that decline has been moderated and the forecast baseline has been increased by some \$10 million in FY08 and \$4 million - \$6 million in subsequent years.

**Personal Income Tax Forecast**  
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Income Tax	\$3,257	\$2,981	\$2,776	\$2,848	\$2,968	\$3,094
Forecast Change		\$8	-\$34	-\$54	-\$21	\$21
Film Production	-\$50	-\$50	-\$50	-\$50	-\$50	-\$50
Citizens Credit	-\$40	-\$56	-\$56	-\$56	-\$56	-\$56
Film Infrastructure		-\$10	-\$49	-\$84	-\$69	-\$43
Excess Itemized		-\$157	-\$190	-\$308	-\$332	-\$357
Earned Income Credit			-\$41	-\$41	-\$41	-\$41
Insurance Credit			-\$92			

Collections held up in storm year FY06 (4.6%) due to withholding strength, but the surge really occurred in FY07 with 29.7% growth. Deferred payment catch up, low unemployment, wage growth, oil & gas sector gains all contributed to a very strong year. While withholding continues to perform well in FY08, the catch-up effect has ended and a net accrual loss is likely, as well. Underlying base growth is projected as a 3.3% decline in FY08 from the strong prior year. The underlying base for FY09 - FY11 is somewhat lower than the previous forecast, before improving for FY12. Year-over-year base growth stops dropping in FY09, then returns to the positive 4% range for FY10 - FY12.

Performance of this tax will be influenced by a variety of tax breaks. Already built into the baseline forecast is approximately \$50 million per year of film production tax credits and \$56 million per year of Citizens assessment credits. Additional reductions must also be made for the return of the excess federal itemized deduction, the new state earned income tax credit, and a one-time credit of 7% of homeowner insurance premiums. While this tax has been one of the strong suits of the revenue forecast, it should be noted that a large potential exposure exists from unused Citizens credits (possibly \$200 million). It also needs to be emphasized here that the film infrastructure tax credit exposure is a maximum exposure of what appears reasonable to expect over the next few years (one-half allocated against corporate taxes and one-half against personal income tax). Substantially more tax credit than this has been applied for, and the amount of tax credit actually granted will depend on actual approved expenditures. The timing of specific dollar realizations of this tax credit is also uncertain.

**Corporate Tax Forecast**  
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Revenue	\$1,052	\$911	\$930	\$756	\$703	\$707
Forecast Change		\$106	\$53	-\$41	-\$67	-\$69
Film Production	-\$35	-\$35	-\$35	-\$35	-\$35	-\$35
Borrowed Capital	-\$45	-\$68	-\$90	-\$113	-\$135	-\$161
Film Infrastructure		-\$10	-\$49	-\$84	-\$69	-\$43

FY07 was the fourth consecutive year of growth in corporate collections, driven by national economic growth, oil price increases, and exchange rate declines benefiting the broadly defined energy sector and exporters in the state. Cash basis growth has continued into FY08 at a much slower pace of 7.7% through January, and accrual basis growth is currently a negative 5.2%. Even with this slowing growth, substantially higher baseline forecasts are possible for each year of the forecast horizon, but the degree of confidence that can be placed on corporate forecasts is fairly low. In addition, the baseline forecasts already account for about \$35 million per year of film production tax credits, and must be further reduced to account for the continuing phase-out of franchise tax on borrowed capital through FY12 and film infrastructure tax credit exposure. It needs to be emphasized here that the film infrastructure tax credit exposure is a maximum exposure of what appears reasonable to expect over the next few years (one-half allocated against corporate taxes and one-half against personal income tax). Substantially more tax credit than this has been applied for, and the amount of tax credit actually granted will depend on actual approved expenditures. The timing of specific dollar realizations of this tax credit is also uncertain.

Caution is always advised with corporate forecasts due to the highly volatile characteristics of these receipts and the large forecast error associated with them. Double-digit annual growth and declines are typical, and monthly receipt variation within the

year makes it difficult to identify current trending. In addition, roughly one-half to two-thirds of these revenues are collected in the last quarter of fiscal year. Thus, this forecast is typically recommended at something less than what the forecast model would generate.

### Oil and Gas Price Forecast

	FY07	FY08	FY09	FY10	FY11	FY12
Oil \$/bbl, WTI	\$63.41	\$82.51	\$73.45	\$63.10	\$58.15	\$58.08
Forecast Change		\$2.51	\$3.00	\$5.62	\$3.03	\$2.92
Gas \$/mmbtu, HH	\$6.86	\$7.08	\$7.26	\$7.23	\$6.72	\$6.77
Gas Sev. Tax Rate ¢/mcf	37.3¢	26.9¢	28.5¢	29.5¢	29.0¢	27.3¢

With the rise in oil prices occurring over the past few years, recently breaching \$100/bbl, the forecast for oil prices is a big question and risk, especially for FY09 and beyond. The oil price forecasts above are an average of forecasts made by Moody's, the federal Energy Information Administration, and the low price case of the state Department of Natural Resources. Oil price projections have been modestly increased since the last forecast, but the projected price for FY08 is \$24.51 higher than the price utilized at the beginning of the fiscal year, with FY09 being \$18/bbl higher. The out-years are higher, as well: FY10 almost \$11/bbl higher and FY11 \$7/bbl higher. Given the fact that oil prices are internationally determined, considerable uncertainty is associated with all of these forecasts. Natural gas prices are more regionally determined and weather-related, and have not exhibited the volatility and uncertainty of oil prices. The Moody's forecast is utilized above and is only modestly different from the last forecast. Natural gas severance tax rates for each fiscal year are determined by the average gas price during the twelve month period ending in the month of March prior to the start of a new fiscal year. Thus, the FY08 tax rate is already fixed, while the table displays projected tax rates in FY09 – FY12 based on the gas price projections for the relevant periods. These new projected tax rates are within 1¢ - 2¢ of the last projection.

### Severance and Royalty Forecast (millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Severance & Royalty	\$1,427	\$1,527	\$1,395	\$1,206	\$1,157	\$1,151
Forecast Change		\$32	\$7	\$26	\$30	\$15

Price spike up with production spike down in FY06 kept mineral revenue fairly unaffected in the storm year. Production recovery to pre-storm path within one year meant full year of normal production while oil prices continued to rise in FY07, with continuing price increases in FY08. Moderating oil price forecasts cause revenue to fall off in FY09 and beyond. Relatively modest increases are made to the severance and royalty forecast; the interaction of modest oil & gas price changes, gas severance tax effects, updated production, and additional collections data. As a cautionary note, with

the Stabilization Fund filled, all mineral revenue volatility over a threshold of approximately \$950 million directly affects the state general fund. Royalty collections available to the state general fund are reduced by \$13 million per year starting in FY09 as receipts from the Attakapas Wildlife Management Area are formally dedicated to the Conservation Fund for use by the Department of Wildlife and Fisheries.

**Gaming Revenue Forecast**  
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Riverboat	\$389	\$383	\$376	\$375	\$371	\$367
Video Poker	\$214	\$205	\$205	\$205	\$205	\$205
Lottery	\$129	\$130	\$125	\$125	\$125	\$125
Land-Based	\$84	\$90	\$90	\$90	\$90	\$90
Slots	\$56	\$57	\$57	\$57	\$57	\$57
Forecast Change		\$38	\$42	\$38	\$34	\$30

Riverboat: While the immediate post-storm boom is over, this sector has stabilized at about a 10% higher level of activity than the pre-storm period. The forecast in all years has been raised as a result. As the Gulf Coast comes fully back on-line through 2008, some downward pressure on this activity is likely. A small 1% decline is imposed in each subsequent year, and continual assessment of competitive pressures will be necessary.

Video poker: This sector exhibits a similar pattern, in that the immediate post-storm boom is over, but the overall sector has settled at a level of activity about 5% higher than the immediate pre-storm period. Prior to the storms this sector was growing steadily, due virtually entirely to truck-stop activity. In the post-storm period the truck-stop component has been erratic but essentially flat, while the other major component of bars & restaurants initially declined before stabilizing. Only a small increase to the forecast has been made, and projections have been held flat in all subsequent years.

Lottery: In the pre-storm period, Lottery transfers to the State were typically around \$110 million per year. In the two post-storm years transfers have been around \$130 million each year. While acknowledging that lottery sales are largely jackpot driven, an increase in the forecast for FY09 and subsequent years to \$125 million per year seems reasonable.

Land-Based: Performance has been above pre-storm levels since re-opening in early 2006. The forecast is for a gain on FY07 (\$6m) as well as relative to current forecast (\$3m). Projections are held steady through FY12 as the city, its tourism base, and the Gulf Coast all continue recovery.

Slots: Post-storm win-per-admission has been 20% - 25% higher than pre-storm with a gradual rising trend while admissions themselves have been below pre-storm levels with a gradual falling trend. Collections from the base of facilities will likely remain stable, but this forecast now includes the new facility at the New Orleans Fairgrounds, which accounts for essentially all of the \$3 million increase in this sector's forecast.

**Premium Tax Forecast**  
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Revenue	\$286	\$335	\$351	\$363	\$377	\$391
Forecast Change		\$29	\$40	\$27	\$15	\$11
Investment Credits	-\$114	-\$119	-\$124	-\$129	-\$134	-\$139
Guaranty Credits	-\$27	-\$24	-\$21	-\$19	-\$17	-\$15
CapCo Credits	-\$47	-\$33	-\$26	-\$18	-\$10	-\$10

Premium tax collections have performed well in the post-storm period, growing by 4.9% in the fiscal year of the storms (FY06) and then surging 33.3% in FY07 as higher premiums began to be imposed. Strong collections growth has continued in FY08, exhibiting 37.5% growth through December on a cash basis and 17.1% growth on an accrual basis. Consequently, forecasts for all years have been increased. In addition, net collections are also benefiting from falling tax credits. While basic investment tax credits grow steadily, credits for insurance guaranty assessments and CAPCO investments are falling. LIGA has not levied an assessment since 2004 and CAPCO credits continue their scheduled phase-down. Projected growth drops to 4.7% in FY09, then below 4% per year thereafter as premium increases moderate. The forecast assumes no additional guaranty assessments are levied or new tax credits are granted.

**Motor Fuels Tax Forecast**  
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
Revenue	\$607	\$610	\$632	\$651	\$669	\$683
Forecast Change		-\$11	-\$6	-\$7	-\$5	-\$4

Combined gasoline and special fuels (diesel) performed well in the post-storm period, of FY06 and FY07, growing by 3.0% and 2.3%, respectively. However, growth has slowed in FY08 and only about 0.5% growth is now expected this year. Growth rebounds in FY09 (over 3%) then settles in the 2%-3% range in the out-years. The slowdown in the current year results in reduced levels of expected tax collections throughout the forecast horizon. Risks to this outlook would be continual rapid oil price increases or sustained high prices that push up gasoline pump prices to the point of significant demand destruction, and the possibility of a U.S. recession that curtails consumer, business, and trucking activity. A recession scenario is not yet formally forecast by most macro-economy watchers, but the probability of its occurrence has been elevated in virtually all forecast discussions. As evidenced by slowing growth in FY08, demand destruction may already be occurring.

**New Dedications**  
(millions of \$)

	FY07	FY08	FY09	FY10	FY11	FY12
State Highway Improvement Fund		\$11	\$22	\$33	\$45	\$46
Tourism Promotion District		\$5.0	\$5.6	\$4.5	\$5.2	\$5.9
NOW Opportunities Waiver Fund		\$50	\$?	\$?	\$?	\$?

Significant changes to dedications of state tax revenue are depicted in the table above. These dedications divert revenue from the state general fund in favor of the uses supported by the particular special fund receiving the dedicated revenue. These recent dedications include the State Highway Improvement Fund, enacted in 2006 with its first effect in FY08. This new special fund will capture the remaining vehicle license tax revenue currently flowing to the state general fund, phased-in equally over a four year period. These monies will support road projects in the state system that are not eligible for federal highway funding assistance. The cap on retention of sales tax receipts by the Tourism Promotion District is entirely removed effective in FY08. The monies are used for out-of-state tourism advertising and promotion. Finally, the NOW Opportunities Waiver Program can receive 12% of revenue forecast increases above the forecast in place at the beginning of the fiscal year ,up to \$50 million per year. This is currently expected to occur in FY08 but can not be projected for subsequent years of the forecast horizon since it can not be known what forecast will be in place at the beginning of any particular fiscal year.